



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

MICHAEL F. EASLEY
GOVERNOR

LYNDO TIPPETT
SECRETARY

May 10, 2006

MEMORANDUM TO: AGC-DOT Joint Cooperative Committee Members

FROM: E. C. Powell, Jr., PE
State Construction Engineer

SUBJECT: Minutes to the Joint Committee Meeting

The Joint Cooperative Committee of the AGC-DOT met at 10:00 AM on March 30, 2006, in the Chief Engineer's Conference Room at the NCDOT Maintenance and Equipment Facility located on Beryl Road in Raleigh.

Members and attendees present included:

Debbie Barbour
Victor Barbour
Bill Copeland
Susan Coward
Jack Cowsert
Queen Crittendon
Steve DeWitt
Randy Garris
Brad Goodson
Kevin Hicks
Berry Jenkins

Drew Johnson
Don Lee
Michelle Long
Jeff Mann
Meredith McDiarmid
Art McMillian
Graham Moore
Amanda Perry
Dan Peter
Ellis Powell
Bill Rosser

Len Sanderson
Ted Sherrod
Tammy Stewart
Shannon Sweitzer
Lamar Sylvester
Jimmy Travis
Steve Varnedoe
Don Voelker
Sim Wooten

AGENDA

Recognition of Work Zone Safety Poster Contest Winners.....Ellis Powell

- Mr. Ellis Powell recognized Berkley Webster, Alex Lowe and Elizabeth Fox, three winners of the Work Zone Safety Poster Contest. Berkley, the 1st place winner in the 16-18 year old category, Alex, the 3rd place winner in the 16-18 year old category, and Elizabeth, the 1st place winner in the 12-15 year old category are all students at Walter Williams High School in Burlington. Mr. Powell also recognized their Art Teacher, Ms. Jan Davis. Mr. Powell

MAILING ADDRESS:
NC DEPARTMENT OF TRANSPORTATION
CONSTRUCTION UNIT
1543 MAIL SERVICE CENTER
RALEIGH NC 27699-1543

TELEPHONE: 919-733-2210
FAX: 919-733-8441

WEBSITE: WWW.DOT.STATE.NC.US

LOCATION:
TRANSPORTATION BUILDING
1 SOUTH WILMINGTON STREET
RALEIGH NC

thanked the students and teacher for their participation and the AGC for this worthwhile initiative.

Project Letting.....Debbie Barbour

- Ms. Debbie Barbour advised that the Department is currently on track with most of the larger projects that are on the 12 Month Let List. Specific projects mentioned were the High Point East Belt scheduled for September Let and the second bridge to Oak Island in the December Let. Ms. Barbour advised that there was a possibility that the Monroe Bypass Let may move out of 2006 due to environmental/NEPA requirements.
- Mr. Steve DeWitt advised that three Design Build Projects on the 12 Month Let List, Long Shoals Road, US 601, and Bosch Boulevard, are on schedule and in various stages of the process.
- Mr. Steve Varnedoe advised that resurfacing program was on schedule with the goal to get this year's projects Let in the March timeframe. Mr. Varnedoe advised that funding for the program was increased from 157 million dollars to 186 million dollars. All Division Purchase Order Contracts for resurfacing should be advertised by the end of April.
- Mr. Len Sanderson advised that the advertisement and procurement process for Garvey Bond Projects would probably begin sometime in 2007. The Department is still working on the selection process for projects.

Funding.....Len Sanderson

- Mr. Sanderson advised that as of February 2006, due to conscious constraint, revenue is up 2% when compared to the same time period (July-February) last year. Expenditures are down this year when compared to last year. The expenditures are matching up closely with revenues. The Department currently has a cash balance of approximately 550 million dollars. The trendline model shows that the Department will go below the floor of 170 million to 180 million dollars cash balance in the fall of this year. This means that the Department will have to make additional financial adjustments. There is a potential that some of the projects in the 12 Month Let List may be delayed due to funding. The Department is currently working on a 36 Month Let List to analyze possible adjustments.
- Mr. Sanderson stated one factor affecting the cash balance was the apportionment amount of Federal dollars. The obligation authority on Federal monies has been restricted from 92% to 85%. In addition, there is 115 million dollars of Appalachian Money that has to be used for this type of specific project. The Department currently does not have a project of this type to let. A third factor is the consumption rate for diesel and gasoline is down 2.5%, which means the amount of state revenue coming in is down.
- Mr. Don Voelker provided additional information on the restriction of the Federal dollars. Mr. Voelker advised that although the Department is apportioned a certain amount of money,

due to Federal Budget deficits, Congress places obligation authority in the legislation which caps the amount of the apportionment dollars that can be spent.

- Mr. Sanderson advised that escalation of construction cost could affect the schedule of some projects.
- Members of the AGC advised that construction restrictions and other contract requirements typically lend to higher construction costs. Those discussed were aggressiveness of contract completion dates, high liquidated damage rates, and the costs associated with waste and borrow pits.
- Mr. Sanderson advised that during the scoping process, the Department is looking at the features of the project to ensure the best use of funds. He further advised that the Department will look at the letting of the projects and the aggressiveness of the project completion dates.

Legislative Program 2006 Short Session.....Susan Coward

- Ms. Susan Coward advised that the Department is still working on its legislative initiatives for 2006. Secretary Tippet's top priority is House Bill (H.B.) 749, which gives the Board of Transportation more flexibility to enter into public-private partnerships. This will provide more funding options for projects. Another priority is Minority and Women Business Enterprise legislation, which currently is in the Senate. Both pieces of legislation are hold overs from last year.
- Ms. Coward discussed the Non-Revenue items being introduced in 2006. H.B. 750, which passed last year, needs a technical correction for a word that was omitted. The Department is currently considering the approach to take with Overweight Truck Exemption Statutes. The Department is also reviewing the administrative rules regarding electronic bidding, which could not be introduced as originally drafted.
- The Department is currently working through the budget process with the Governor's Office. Ms. Coward has been advised that there is approximately 160 million dollars budget availability in the Federal Highway Fund. However this does not translate into the funds the Department will receive. The Department is working to ensure that these funds are maintained for contract resurfacing and system preservation.
- Ms. Coward advised that H.B. 779, which passed last year, would phase in in 2009. The bill requires that the Department of Motor Vehicles will be the collection authority of property taxes for the counties. Ms. Coward advised that this could affect the Department's cash flow.

Erosion Control/Storm Water Certification Feedback.....AGC Members

- Mr. Berry Jenkins advised that the AGC believes that improvements can be made in the structure and administration of certification examinations. The exams also need to address non-English speaking employees, as well as, less formally educated employees who struggle with test format.

- Mr. Jenkins further advised that the Department should review protocol for instances when a Department employee responsible for the administration of the contract and a certified contractor disagree on implementation of measures. There is concern of who may bear the liability for the ultimate method used.
- Mr. Don Lee suggested formulation of a steering committee comprised of representatives from the Department, the environmental agencies, and the AGC to review the program. The Department will meet internally to formalize the process before involving all parties.
- Mr. Jenkins advised that AGC representatives would be Sim Wooten, Drew Johnson, Graham Moore and Ricky Vick.
- Mr. DeWitt advised that the intent of the certification program has always been employee education and not to shift liability from the Department to the Contractor.

Flagger Certification Program Status.....Meredith McDiarmid

- Ms. Meredith McDiarmid advised that a committee has been meeting since August 2005 on development of the program. The committee has not determined that a certification program is the best course of action. They are currently looking at qualifications and training requirements. Some of the items being discussed are having a “Work Zone Traffic Control Supervisor” on significant projects. There would have to be at least one qualified “Work Zone Traffic Control Installer” on a crew. All “Work Zone Traffic Control Flaggers” would have to be qualified.
- Mr. Jenkins advised that the AGC understands the intent of this program, where the program is going, and is very supportive of this program.

General Contractor’s Licensing.....Steve DeWitt

- Mr. Steve DeWitt discussed the details surrounding a Division Let striping project in which none of the bidders held a license of any kind that related to general contracting. This event led to discussion to see what the industry should do to address this type of contract and contractor to ensure compliance with the law. One suggestion was to pursue an exemption for specialty services such as pavement markings.
- Mr. Graham Moore is working with the General Contractor Licensing Board to address this issue. Mr. Moore requested a list from the Department of the specialty items that may need to be addressed.

The next meeting is scheduled for May 18, 2006, at 10:00 A.M. in the Emergency Information Center, Room 114M, in the Transportation Building at 1 South Wilmington Street, Raleigh.

AGC-DOT Joint Cooperative Committee Members
Page 5
May 10,2006

MLS:kdI

ec-

Mr. Dan DeVane

Mr. W. D. Riddick

Mr. L. A. Sanderson, PE

Mr. W. S. Varnedoe, PE

Ms. D. M. Barbour, PE

Mr. S. D. DeWitt, PE

Mr. W. F. Rosser, PE

Mr. L. D. Love, PE

Mr. Roberto Canales, PE

Mr. B. G. Jenkins, Jr., PE

Mr. C. L. Jones, PE

Mr. V. J. Barbour, PE

Mr. Art McMillan, PE

Mr. C. W. Leggett, PE